



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 2, 2007

H.R. 404 **Federal Customer Service Enhancement Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on June 12, 2007*

H.R. 404 would require the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) to develop metrics of customer service performance to use for establishing customer service standards for federal agencies. The legislation would require GAO to conduct annual evaluations of the agencies' customer service practices and report findings to both the agencies and the Congress. The bill also would require each agency to designate a customer relations representative and to collect data on the quality of its customer service and report to the GAO.

Based on information provided by OMB, GAO, the Citizen Service Levels Interagency Committee, and CBO's review of major agencies, CBO understands that many agencies have a designated customer relations representative and already collect data on the quality of their customer service.

CBO expects that complying with the bill's provisions would increase the administrative expenses of some federal agencies, but because of the large number of agencies involved and the extensive interactions between the federal government and the public, CBO cannot determine a precise estimate of the likely total costs of the bill. Costs over the 2008-2012 period, however, would generally come from agencies' salary and expenses budgets, which are subject to annual appropriation. Such costs would probably total at least a few million dollars per year. In addition, based on information provided by GAO and OMB, CBO estimates that developing a metric of customer service performance and conducting an annual evaluation of agencies' customer service practices would cost \$1 million in 2008 and less than \$500,000 annually in subsequent years. Enacting the legislation would not affect direct spending or revenues.

H.R. 404 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local or tribal governments.

The CBO staff contacts for this estimate are Matthew Pickford and David Reynolds. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.